

Message Text

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ACTION SIG-02

INFO OCT-01 EA-09 ISO-00 EB-07 /019 W
----- 086539

R 130755Z SEP 76
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 9399
INFO USDOC WASHDC

UNCLAS SECTION 1 OF 2 SEOUL 7244

E.O. 11652: N/A

TAGS: ASIG

SUBJECT: EVALUATION OF THE COMMERCIAL FUNCTION - QUESTIONNAIRE

REF: (A) STATE 191872, (B) STATE 202269, (C) SEOUL A-

1. WE REGRET STATE/COMMERCE TEAM FOR EVALUATION OF THE COMMERCIAL FUNCTION WILL BE UNABLE TO VISIT SEOUL. AS SUGGESTED IN REF. B, WE ARE CABLING HERewith A SUMMARY OF OUR RESPONSES TO THE QUESTIONS POSED IN REF. A. OUR COMPLETE RESPONSES TO THE ENTIRE QUESTIONNAIRE HAVE BEEN SENT BY REF. C.

2. A. PROGRAM OBJECTIVES:

THE MAJOR U.S. COMMERCE OBJECTIVES IN KOREA ARE (A) TO INCREASE THE U.S. SHARE OF THE IMPORT MARKET; (B) TO INCREASE PARTICIPATION BY U.S. CONSULTANTS ENGINEERS, CONSTRUCTORS AND EQUIPMENT SUPPLIERS IN MAJOR PROJECTS; (C) TO FACILITATE U.S. PRIVATE INVESTMENT AND LICENSING; (D) TO ENSURE THAT KOREA PARTICIPATES IN THE MULTILATERAL TRADE NEGOTIATIONS (MTN) AND MAKE TRADE CONCESSIONS OF SIGNIFICANT BENEFIT TO THE U.S.; (E) AND TO FOSTER THE U.S. COMMERCIAL PRESENCE. THESE OBJECTIVES ARE STATED IN THE FY-77 COUNTRY COMMERCIAL PROGRAM DOCUMENT, PARA, AND THE OTHER POLICY DOCUMENTS. EMBASSY COMMERCIAL PROGRAMS AND SERVICES ARE TARGETTED TO MEET THESE OBJECTIVES.

B. MAJOR ACTIVITIES:

THE MAJOR COMMERCIAL ACTIVITIES DURING THE PAST YEAR INCLUDE
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INCREASING THE QUANTITY AND EFFECTIVENESS OF EXHIBITIONS AND

PROMOTIONS AT THE SEOUL TRADE CENTER; PREPARING FOR AND PARTICIPATING IN THE SEVENTH KOREA-U.S. MINISTERIAL CONFERENCE; EXPANDING REPORTING ON PLANNED MAJOR PROJECTS IN KOREA; PROVIDING MORE SERVICES TO VISITING U.S. BUSINESSMEN; IMPROVING WORLD TRADE DATA (WTD) REPORTING; RAISING THE QUALITY OF IN-HOUSE MARKET RESEARCH; ASSISTING U.S. COMPANIES TO SELL MILITARY SUPPORT EQUIPMENT TO THE KOREAN GOVERNMENT; AND EXPANDING REPORTING ON TRADE RELATIONS, NOTABLY TEXTILES AND FISHING, BETWEEN THE U.S. AND KOREA. THE MOST EFFECTIVE COMMERCIAL PROGRAMS IN KOREA, ON A COST BASIS, ARE THOSE CONNECTED WITH THE SEOUL TRADE CENTER. THIS TRADE CENTER, WITH MINIMAL COMMERCE/STATE FINANCIAL SUPPORT OR RESOURCE ALLOCATION, PROVIDES U.S. COMPANIES WITH TRADE PROMOTION SUPPORT COMPARABLE TO MANY OF THE COMMERCE-FUNDED TRADE CENTERS.

C. WASHINGTON SUPPORT:

THE PRESENT WASHINGTON SYSTEM FOR DEALING WITH COMMERCIAL ACTIVITIES HAS SHOWN MARKED IMPROVEMENT WITH SUCH THINGS AS THE COUNTRY COMMERCIAL PROGRAM, THE WASHINGTON STATE/COMMERCE ASSISTANT SECRETARIES' PERIODIC CONSULTATIONS, AND AN INCREASED EMPHASIS ON COMMERCIAL ACTIVITIES. THE MAJOR WEAKNESS IN SUPPORT OF COMMERCIAL ACTIVITIES HAS BEEN THE FAILURE BY STATE AND COMMERCE TO PROVIDE ENOUGH FINANCIAL AND OTHER RESOURCES. DEFICIENCIES COULD BE LARGELY CORRECTED BY A MORE ADEQUATE LEVEL OF RESOURCE ALLOCATION BY WASHINGTON. SPECIFICALLY WE RECOMMEND THE FUNDING BE EARMARKED FOR THE COUNTRY COMMERCIAL PROGRAM, SEPARATE FUNDING BE PROVIDED IN STATE AND COMMERCE BUDGET FOR COMMERCIAL ACTIVITIES AS A TRANSITIONAL MEASURE AND ULTIMATELY A COMBINED U.S. GOVERNMENT BUDGET BE CREATED TO SUPPORT OVERSEAS ECONOMIC/COMMERCIAL PROGRAMS.

D. POST ORGANIZATION:

UNDER A COUNSELOR FOR ECONOMIC/COMMERCIAL AFFAIRS, A SUBORDINATE HEAD SUPERVISES THE ECONOMIC SECTION AND A COMMERCIAL COUNSELOR HAS CHARGE OF COMMERCIAL ACTIVITIES. MATTERS AFFECTING POLICY, THE POLITICAL SITUATION, AND BROADER EMBASSY INTERESTS ARE ORDINARILY TAKEN TO THE AMBASSADOR OR DCM. THE SUPPORT OF THE ECONOMIC/COMMERCIAL PROGRAM BY ALL ELEMENTS OF THE EMBASSY IS OUTSTANDING AND REFLECTS THE FACT THAT COMMERCIAL OBJECTIVES

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ARE AMONG THE PRINCIPAL U.S. OBJECTIVES IN KOREA. THERE ARE NO CONSTRAINTS OF POST ORIGIN WHICH RESTRICT COMMERCIAL ACTIVITIES IN KOREA. PROBLEMS WITH STATE AND COMMERCE INCLUDE THE LACK OF BUDGET, LACK OF COMMERCE RESOURCES, THE NON-SUPPORT OF AGREED COUNTRY COMMERCIAL PROGRAM OBJECTIVES, AND THE DISCOURAGING OF CERTAIN POST ORIGINATED INNOVATIVE PROGRAMS, SUCH PERMITTING DIRECT SOLICITATION OF U.S. FIRMS TO PARTICIPATE IN TRADE CENTER EXHIBITIONS, RECRUITMENT EFFORTS BY COMMERCE FOR SUCH SHOWS,

AND SUPPORT FOR PROMOTIONS OUTSIDE SEOUL.

NOTE BY OC/T: REF (C) AS RECEIVED.

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INFO USDOC WASHDC

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E. COMMUNITY REACTIONS:

THERE HAVE BEEN NO MAJOR CRITICISMS OR COMPLAINTS ABOUT U.S.
GOVERNMENT COMMERCIAL ACTIVITIES AS CONDUCTED BY THIS EMBASSY.

F. BUSINESS CONTACT:

ABOUT 30 PCT OF AN OFFICER'S TIME IS SPENT IN CONTACT ACTIVITIES
WITH THE BUSINESS COMMUNITY AND ABOUT 50 PCT OF FSL TIME,
ABOUT ONE-HALF OF THE ABOVE TIME IS SPENT OUTSIDE THE OFFICE.

G. COMMUNICATIONS WITH WASHINGTON:

THE AVERAGE TURN-AROUND TIME FOR A REQUESTS FOR ASSISTANCE FROM
WASHINGTON AGENCIES IS ABOUT 30 DAYS, WHICH IS GENERALLY SATIS-
FACTORY. OCCASIONALLY, HOWEVER, SEVERAL FOLLOWUPS ARE NECESSARY
IN THE AREAS OF BUDGETING, TIMING OF TRADE MISSIONS, AND SCHEDULING
OF FUTURE TRADE CENTER EVENTS.

H. COORDINATION:

THE STATE/COMMERCE EXCHANGE PROGRAM HAS OBVIOUSLY HELPED FOREIGN
SERVICE OFFICERS UNDERSTAND COMMERCE DEPARTMENT'S PROBLEMS AND
VICE VERSA. HOWEVER, THE EXCHANGE PROGRAM IS GEARED TO LOWER
AND MIDDLE LEVEL POSITIONS, AND COULD BE IMPROVED BY COVERING PEOPLE
AT POLICY MAKING LEVELS IN BOTH STATE AND COMMERCE.

I. GUIDANCE:

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GUIDANCE FROM WASHINGTON ON THE WHOLE IS EFFECTIVE, BUT THE DEPARTMENT OF STATE NEEDS TO GIVE GREATER ATTENTION TO THE FORMATION OF COMMERCIAL POLICY TO SEE THAT IT BETTER REFLECTS FIELD VIEWS.

J. PERSONNEL:

CAREER OPPORTUNITIES AND INCENTIVES FOR COMMERCIAL OFFICERS ARE IMPROVING BUT ARE STILL NOT ADEQUATE TO ATTRACT, MOTIVATE, AND HOLD YOUNG OFFICERS IN THE FIELD. SEOUL AFFORDS ADEQUATE STATUS AND RECOGNITION TO THE COMMERCIAL FUNCTION AND COMMERCIAL PERSONNEL. HOWEVER, MOST COMMERCIAL OFFICERS HERE BELIEVE THAT STATEMENT IS NOT TRUE AT SOME OTHER POSTS. THE PRESENT RECRUITMENT, TRAINING, AND ASSIGNMENT POLICIES AND PRACTICES ARE IMPROVING THE SKILLS AND AVAILABILITY OF PERSONNEL TO PROVIDE THE BEST SUPPORT FOR U.S. TRADE PROMOTION AND SERVICE TO U.S. BUSINESS INTERESTS. FOR JUNIOR COMMERCIAL OFFICERS OR FOR THOSE OFFICERS WITHOUT BUSINESS EXPERIENCE THERE IS STILL A NEED TO BROADEN THEIR PERSPECTIVE. THE EFFORT OF BRINGING INTO THE SERVICE OFFICERS WITH OUTSIDE BUSINESS EXPERIENCE, THE COMMERCE/STATE EXCHANGE PROGRAM, AND THE HIRING OF LOCAL EMPLOYEES WITH BUSINESS BACKGROUND, ARE ALL EXCELLENT STEPS IN THIS DIRECTION. THE COMMERCIAL PROGRAM NEEDS GREATER INPUT FROM THE PRIVATE BUSINESS COMMUNITY IN ORDER THAT COMMERCIAL OFFICERS ARE UP TO DATE ON MODERN BUSINESS METHODS, IDEAS, AND POLICIES. THE IDEA OF AN EXCHANGE PROGRAM BETWEEN THE FOREIGN SERVICE AND PRIVATE BUSINESS IS EXCELLENT AND SHOULD BE EXPANDED. PERHAPS MORE BUSINESSMEN COULD BE ATTRACTED IF A PROGRAM, COMPARABLE TO THE INTERNATIONAL EXECUTIVE SERVICE CORPS, COULD BE INSTITUTED FOR THE FOREIGN SERVICE, WHERE RETIRED EXECUTIVES, ON A TEMPORARY BASIS, COULD BE USED BY COMMERCIAL SECTIONS AT OVERSEAS POSTS. STERN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 13 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SEOUL07244
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760344-1041
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760966/aaaaceqz.tel
Line Count: 211
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SIG
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 191872, 76 STATE 202269, 76 SEOUL A-6
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 12 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 APR 2004 by MaustMC>; APPROVED <19 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EVALUATION OF THE COMMERCIAL FUNCTION - QUESTIONNAIRE
TAGS: ASIG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006